

City of College Park

Economic Development Report

Fiscal Years 2000-2002

July 1, 2000 – June 30, 2002



Prepared by Claire Sale, Economic Development Coordinator

Department of Planning, Community and Economic Development
City Hall
4500 Knox Rd.
College Park, MD 20740

Table of Contents

I. Overview of Economic Development

A. Local Overview	4
B. Regional Overview	12

II. Local Market Reports

A. Methodology	19
B. Office	20
C. Industrial	23
D. Retail	25
E. Hotel	29
F. Residential	31
G. Technology	32

III. Development Status Report 33

Tables

1. Commercial Construction Starts, 1999 and 2000	4
2. Existing Land Use in college Park US Route 1 Corridor	5
3. Area General Demographic Characteristics	12
4. Regional Unemployment Rates Fiscal Year 2001 and May 2002	13
5. Commercial Construction Starts in the Washington Region, 1999 and 2000	15
6. Residential Home Sales in the Washington Region, 1999 and 2000	16
7. City of College Park and Prince George's County Real Property Tax Assessment, 1996-2001	18
8. Surrounding Counties' Real Property Tax Assessment, 1996-2001	18
9. College Park Office Market, 1999-2000,2002	20
10. College Park Government Office Statistics, 2002	21
11. College Park Office Statistics, 2002	22
12. College Park Industrial Market, 1999-2000, 2002	23
13. College Park Industrial Statistics, 2002	24
14. College Park Retail Market, 1999-2000, 2002	25
15. College Park Retail Statistics, 2002	28
16. College Park Hotel Occupancy and Rates, 1993-2001	29
17. College Park Hotel Peak/Low Month Occupancy Rates,	29
18. Single Family Home Sales	31
19. Residential Building Permits Issued by City of College Park	32

I. Overview of Economic Development

A. Local Overview

Continuing 2000's trend, many of the general indicators of economic health moved in a positive direction during Fiscal Years 2001 and 2002. First, the city's commercial areas have lower vacancy rates than in years past. The hotel sector continues to add new facilities. The residential sector is robust, as the average home for sale is on the market for less than one month. The value of commercial construction starts in 2000 increased 53 percent over 1999. There was development in the office and educational and medical sectors, as well as two other projects in 2000. Finally, the University of Maryland at College Park is in a period of expansion and increased national recognition for its programs, furthering the growth of the City of College Park.

Table 1: Commercial Construction Starts in College Park, 2000 and 2001

Source: Commercial Construction Indicators 2001, Metropolitan Washington Council of Governments,

	2001			2000		
	Projects	Sq. Ft.	Value	Projects	Sq. Ft.	Value
Retail	0	0	\$ 0	0	0	\$ 0
Office	0	0	0	1	20,844	3,000,000
Educational & Medical	8	319,134	69,361,000	1	103,000	28,600,000
R & D	0	0	0	0	0	0
Mixed Use	0	0	0	0	0	0
Hotel/Motel	0	0	0	0	0	0
Other	1	367,000	15,000,000	2	810,000	134,800,000
Subtotal	9	686,134	\$ 84,361,000	4	933,844	\$ 166,400,000

Although most of the news is rosy, the difficulties of vacant and abandoned commercial space still pose challenges to the community as it continues its efforts to restore these locations to viable commercial use. In addition, several events directly impacted College Park. After September 11, the airports within 25 miles of the Capitol were closed, including the College Park Airport. The local hotel industry was impacted by the subsequent reduction in travel. In late September, 2001, a tornado ripped through College Park, damaging several properties, including College Park Marketplace.

Large Employer Changes

Litton Advanced Systems is now known as **Northrop Grumman**, after a takeover by the California-based defense contractor. Northrop Grumman will close the College Park facility by the end of 2002, consolidating its operations in Baltimore. Approximately 250 people are currently employed by Northrop Grumman in the city. Most will be transferred to the

company's Baltimore facility, although about 100 will be permanently separated. This represents a drastic change from Fiscal Year 2000, when Litton Advanced Systems had planned an expansion. This growth was to add approximately 600 jobs and double its office and manufacturing space. The University of Maryland has planned to purchase the facility.

Simultaneously, the City of College Park received a big employment boost from the **FDA**, whose new **Center for Food Safety and Applied Nutrition** has moved to College Park. This branch of the FDA ensures the safety of food additives and foods developed through biotechnology, and develops research programs relating to foodborne illnesses, labeling, and the safety of seafood. The new facility opened in January, 2002, and currently employs about 750 people.

City Economic Development Initiatives

The Prince George's County Council approved the College Park US 1 Corridor Sector Plan and Sectional Map Amendment on April 30, 2002. This plan revised the zoning and land use regulations, hoping to eventually transform Route 1 into a gateway boulevard with a main street and town center. This would be done by encouraging compact, mixed-use development in this area, and working with SHA to implement roadway improvements. Currently, small, narrow lots, multiple owners, and high land costs are challenges to development. The Sector Plan also establishes design guidelines to enhance the aesthetic aspects of the corridor. The City worked with the Maryland-National Capital Park and Planning Commission to create this document. .

Table 2: Existing Land Use in College Park US 1 Corridor

Source: M-NCPPC, Field Survey, March 2000

Land Use	Total Acres	Percent of Total
Commercial	131.2	29.9
• Retail	85.8	19.4
• Service	27.6	6.3
• Office	18.7	4.2
Residential	61.8	14.0
• Single Family	41.5	9.4
• Multi-Family	20.3	4.6
Public/Quasi-Public	7.9	1.8
University of Maryland	77.6	17.6
Subtotal: Developed Area	279.4	63.3
Parkland	40.0	9.0
Rights-of-Way	78.6	17.8
Undeveloped Area	43.8	9.9
Total	441.8	100.0

Building on work done in Fiscal Year 2000, College Park furthered its goal of a town main street and mixed use development for the Route 1 corridor. The State Highway Administration (SHA) completed its College Park Route 1 Improvements Study, developing four alternatives to increase the safety for automobiles, pedestrians, and bicyclists and reduce congestion along the

corridor. SHA narrowed the four alternatives to two, based on community input, and its decision is pending as to which, if any, will be adopted.

Building on the Sector Plan, the City of College Park took steps to solicit proposals for a parking study. This report will address the supply and demand, as well as site alternative analysis. Once this is completed, the consultant will address Mayor and Council before proceeding to the financial feasibility analysis. In addition to funding provided by the City, the Downtown College Park Management Authority also contributed to defray the cost of the study. This project builds on the recommendations of the Sector Plan, which encourages the use of structured parking in the downtown.

In an effort to help invigorate the commercial area of the neighborhood, a market analysis of the **Berwyn Arts and Crafts District-Greenbelt/University Triangle** was commissioned. In order to develop the districts' competitiveness for retail or other business uses, the city hired an economic consultant to perform a market analysis of the areas. The Berwyn area is currently home to Smile Herb Shop, Berwyn Cafe, Mariposa Center for Artistic Expression, and the College Park Arts Exchange, as well as a large residential area and an industrial area. The Greenbelt-University Triangle is the retail area near the convergence of University and Greenbelt Roades that houses Los Amigos market, a sign shop, an apparel store, and a variety of auto-related businesses.

Development/Redevelopment Projects

The City of College Park received funding through the State's **Community Legacy** program. This loan of \$425,000 provides money for the acquisition of the Lee property, which includes demolition of two abandoned buildings on this Route 1 site. The property will then be sold to a developer whose current plan is to build an extended stay hotel.

Another vacant property, this one in downtown, has also received much attention. The former **Sunoco** station at 7313 Baltimore Avenue was purchased in April, 2002 by Terrapin Main Street LLC. The developers, Greenhill Capital Corporation of Bethesda, MD, plan to build a retail center. Cusi, a sandwich and coffee shop, and California Tortilla, a Mexican restaurant, are listed as potential tenants. As presented to the city council in May, 2002, the retail area would have up to eleven storefronts, although several of these would most likely be combined. Greenhill Capital hopes to open this project by Fall 2003.

A mixed-use project on the drawing board is **University View**, which will be located along Route 1 at the former McDonald's site and the Koon's Ford site, which is currently owned by the University. Otis Warren, the developer, proposes a thirteen-story residential building and a ten-story office building with 710 spaces of structured parking. There will be 350 residential units of one- and two-bedrooms and 150,000 to 170,000 square feet of office space. Additionally, the developer is considering including roughly 5,000 square feet of retail space. Groundbreaking is planned for 2003, with a completion in the Fall of 2004.

In addition to the housing potentially provided by University View, another developer is planning to build apartments in College Park. **Mazza Commons at the University of Maryland** is a student-oriented apartment complex off of Autoville Drive to be developed by Collegiate Hall Properties of Greenville, South Carolina. The complex, which will be four stories with open corridors, is slated to have approximately 200 units with a total of about 600 bedrooms. Collegiate Properties plans to open the facility in August of 2004. It has developed similar projects in several other college towns, such as the University of Georgia, the University of South Florida, and the University of Virginia.

Just outside the city limits, **IKEA** is planning to build a new store north of I-495. The Swedish furniture store will develop the parcel of land with an underground parking garage, as well as surface parking, office buildings, and a restaurant park. This project will provide 340,000 square feet of retail space, with a proposed 410,000 square feet of office space. IKEA is working with the State Highway Administration to construct an on-ramp to the Beltway in order to minimize the traffic impact generated by the new store. This will be the third IKEA in the Washington-Baltimore area.

Another project outside College Park is taking place in Hyattsville. Taylor Development and Land Company will create a mixed-use development called Belcrest Center at Prince George's Metro Center, which is located near the **Prince George's Plaza Metro** station. The proposal includes 200,000 to 300,000 square feet of office space, between 100,000 and 250,000 square feet of retail, a 175- to 250-room hotel, and between 100 and 300 residential units. Also included in the plan is an over 800 car multi-level parking garage for the commercial space, and an additional 880 car garage for the office space.

College Park's **Metro stations** are moving forward in their respective projects. AvalonBay and the Washington Metropolitan Area Transit Authority (WMATA) are moving forward for a proposed residential, office, and retail mixed-use development at the College Park/University of Maryland Metro station. In February 2001, WMATA approved an allocation of \$11 million in Transit Infrastructure Investment Fund (TIIF) money. At the same time, WMATA also approved parking fees which will enable a structured parking facility, which AvalonBay considered the last hurdle before signing the developer's agreement. The parking structure currently proposed will have 1,220 spaces, replacing the Kiss & Ride and Park & Ride locations, as well as providing an additional 620 spaces for commercial use. WMATA hopes to break ground in September, 2002, with an opening date of June, 2004.

WMATA is also working with a developer, Greenbelt MetroPark LLC, to develop property around the **Greenbelt Metro** station. The Maryland Board of Public Works approved a \$10 million land purchase and the SHA is proceeding with its beltway access study. A lawsuit about the station project is also underway.

The **Hampton Inn** opened its doors in the Fall of 2000. It is located south of Cherry Hill Road across from College Park marketplace. This hotel offers 78 rooms, along with a weight-room and indoor swimming pool for guests.

Grants & Economic Development Programs

The City's **Commercial Area Landscaping Program** offers a matching grant for owners' investments in road-front landscaping. Five grants were made in fiscal year 2001, down from the six grants awarded in 2000. No grants were awarded in 2002.

Additionally, College Park has worked with Prince George's County Redevelopment Authority (RA) on a variety of projects associated with economic development along Route 1. The Redevelopment Authority has a federally funded grant program for Route 1 Revitalization. The first grant received through this program, known as the Economic Development Initiative (EDI), was \$23,100 for the design of **City Hall Plaza**, which will help create a true downtown center, provide civic and public space in the area, and generally improve the Route 1 Corridor. This effort follows the recommendations of the City of College Park's 1995 Comprehensive Plan.

College Park also received a \$25,000 grant from the EDI money to make streetscape improvements along Route 1 in Downtown. Again, part of College Park's vision of a vibrant "town center" oriented space, the grant will provide money to replace deteriorated downtown sidewalks, enhance "sidewalk treatments," and improve the overall appearance of Route 1.

In addition to the City of College Park, the **Downtown College Park Management Authority (DCPMA)** received \$9,000 through the EDI grant program. This will purchase metal waste receptacles, gateway banners, and bicycle racks for downtown. The gateway banners will be placed at both the northern and southern Route 1 entrances. The bicycle racks will be placed throughout Downtown in order to encourage and accommodate cyclists.

Through this same program, Prince George's County Redevelopment Authority also offered **façade improvement grants** for businesses adjoining Route 1. This encourages local businesses to make renovations to their business fronts, including windows or signs. Two College Park businesses, Bikini Splash and Laundry World, took advantage of this program, and Seven Seas restaurant is working with the Redevelopment Authority to redesign its façade. In addition to this program, Seven Seas is looking to be one of the first non-historic buildings to take advantage of heritage tax credits available to tourism-related businesses in the **Targeted Investment Zone (TIZ)** in the **Anacostia Trails Heritage Area (ATHA)**.

ATHA was approved by the Maryland Heritage Area Authority (MHAA) as an official heritage area. It encompasses much of the northern section of Prince George's County along Route 1, from Hyattsville through College Park to Laurel, including Greenbelt. The purpose of the heritage areas is to promote historic preservation and recreational resources to promote economic development through tourism. By becoming a heritage area, the City of College Park and other entities in the city are eligible to apply for grants and loans for visitor interpretation, programming, and other uses. Once it is approved, which is expected in Fall 2002, the TIZ will enable tax credits, grants, and loans for capital projects.

In conjunction with ATHA, the Prince George's County Redevelopment Authority will be working with Route 1 communities to develop a **way-finding sign system**. The Redevelopment

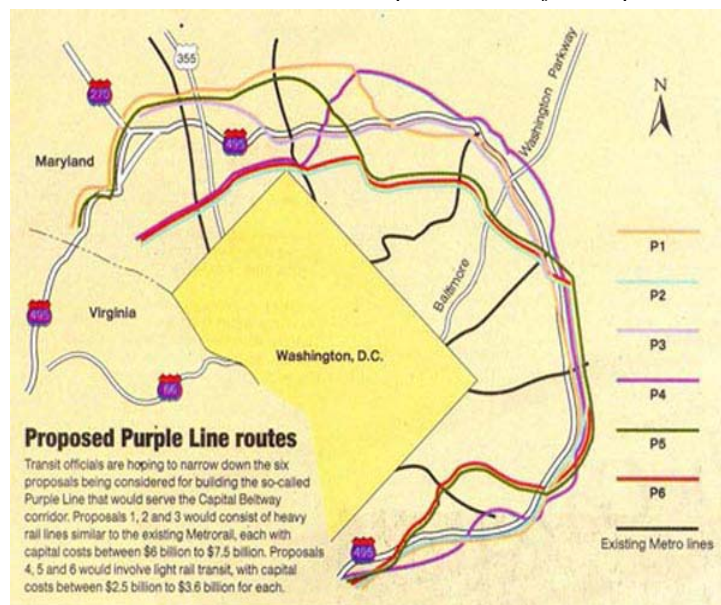
Authority selected the Douglas Group to design the signs, which will provide visually unified direction to visitors throughout the ATHA area. The design should be completed in 2003.

Transportation Developments

Not only was there much discussion of what to do along existing transit lines, but there was also news about the "**Purple Line**," a proposed rail line servicing Montgomery and Prince George's counties and Alexandria, VA, providing connections roughly along the Beltway. Two options have been discussed. The first, the "Inner Purple Line," would be a light rail system running along the Beltway. This would link Bethesda, Silver Spring, Langley Park, the University of Maryland at College Park and New Carrollton, with another link between Suitland and Alexandria.

The second alternative, the "Outer Purple Line," would be a mostly underground heavy rail that would run outside the Beltway. It would start at Rock Spring Park, heading east to Grosvenor, Wheaton, White Oak, Greenbelt and New Carrollton. The other segment would run from Branch Avenue to Alexandria. The plans differ not only in routes but also in potential ridership and costs. The Outer Purple Line would have more average trips per day (64,000 versus the Inner Line's 34,000), but the Inner Purple Line would cost an estimated \$1.43 billion dollars, as opposed to \$3.77 billion.

Proposed Routes for Purple Line



Community Assets



Big changes have been taking place at the **College Park Aviation Museum**. The streetscape project along Cpl. Frank Scott Drive is approximately 80 percent complete. The City of College Park has paved this street, making it more inviting to pedestrians. Light fixtures with banners were also added, which leads into the newly completed entranceway from the street. Upcoming improvements include increased

College Park Aviation Museum

signage from Paint Branch Parkway, which is currently in the design process, and a sculpture at the entrance funded through an arts in Public Places Grant.

In addition to the exterior changes, many changes have taken place inside the museum as well. New planes and exhibits have been added, as well as new programs. The museum is currently gearing up for 2003 to celebrate the 100th anniversary of the Wright brothers' first flight.

Restrictions were placed on the **College Park Airport** after September 11, due to its proximity to the nation's capital. While still able to claim its status as the world's longest continually operating airport due to military use, it was not open to private planes until February 23, 2002. Current restrictions allow military use and those based at the College Park and Potomac airports.

The **College Park Junior Tennis Champions Center** opened April 2001. Set on eleven acres, the TCCP offers fifteen outdoor courts, including nine hard courts and six clay courts, and twelve indoor courts. The main building includes a workout room, offices, classroom, lounge, locker rooms, and a tennis retail shops. Among other things, the center offers mini-camps, drills and clinics, tournaments, and tennis lessons for adults and youths. The center's mission is to train young tennis players with potential in order to earn scholarships to Division 1 universities.

Development at the University of Maryland

South Campus Commons Phase I was scheduled to open August, 2001 with 454 students. Phase II followed, housing 246 students. The final piece is scheduled to be complete in August 2002, and will have beds for 336 students.

As mentioned previously, the University of Maryland has undertaken an extensive capital improvements program. The **Clarice Smith Performing Arts Center at Maryland**, the largest such arts complex nationwide, was completed in Summer 2001. Other ongoing projects are the **Comcast Arena**, which is scheduled to open in late 2002, replacing Cole Field House. The **Van Munching Hall** expansion is also underway, and will open in Fall of 2002. **Stamp Student Union** is currently in Phase II, which is scheduled to be complete in 2003. All of the renovations are scheduled to be complete by 2004.

A variety of new projects have also begun. The **Samuel Riggs IV Alumni Center** is in the design phase, with completion expected in 2004. The new home of the University of Maryland Alumni Association will include rooms for entertaining as well as a multimedia library, meeting and conference rooms, and a garden filled with flowers and trees native to the state. In January, 2001, construction started on the **Chemistry Teaching Building**, which will house the College of Life Sciences and the Department of Chemistry, and is expected to be completed in 2002. Another new project is the **Jeong H. Kim Engineering Building**, which will offer state of the art classrooms and labs for the Clark School of Engineering. Others include a new alumni center, a South Campus parking garage, a renovation and expansion of the health center, and the **Chemical and Nuclear Engineering Building** renovation.

Development at University of Maryland University College

University of Maryland University College (UMUC), the state's second largest university, plans to expand its Inn and Conference Center on University Boulevard East to include an additional 102,000 square feet with 126 more hotel rooms and 6,000 more square feet of meeting space. Construction is scheduled to start in late summer 2002 and be finished in 2003.

In July 2001, the Maryland Higher Education Commission projected that UMUC's enrollment stateside would nearly triple by 2010, primarily because of the university's focus on adult learners and its expertise in online education. Of these students, 7,731 attend classes in College Park. In addition to offering traditional-classroom courses at 30 sites in the metropolitan-Washington region—22 of them in Maryland—UMUC is one of the world's premiere "virtual universities." In 2001, UMUC received the first Sloan Award for institution-wide Web education. That year, UMUC had about 63,000 online enrollments and now offers over 85 undergraduate and graduate degree and certificate programs completely online, in addition to a comprehensive array of online student services for 78,500 UMUC students in 29 countries.

B. Regional Overview

Demographics

Data from the 2000 census was released in 2001 and 2002 providing updated information. A summary of key indicators is included below comparing the city with the county and metropolitan area.

Table 3: Area General Demographic Characteristics

Source: U.S. Census Bureau, Census 2000

	College Park		Prince George's County		Maryland Suburbs of Washington, DC	
	Number	Percent	Number	Percent	Number	Percent
Total Population	24,657	100.0	801,515	100.0	2,065,242	100.0
Age						
Median Age	21.7	(X)	33.3	(X)	35.2	(X)
Age 65 and over	1,764	7.2	61,951	7.7	194,973	9.4
Household by Type						
Total Households	6,030	100.0	286,610	100.0	748,350	100.0
Family Households	3,041	50.4	198,066	69.1	526,666	70.4
Non-Family Households	2,989	49.6	88,544	30.9	221,684	29.6
Housing						
Owner Occupied	3,448	57.2	177,177	61.8	507,602	67.8
Renter Occupied	2,582	42.8	109,433	38.2	240,748	32.2
Homeowner Vacancy Rate	0.9	(X)	2.3	(X)	1.5	(X)
Rental Vacancy Rate	2.4	(X)	4.8	(X)	4.2	(X)
Education						
Percent High School Diploma or Higher	87.6	(X)	84.9	(X)	87.6	(X)
Percent Bachelor's Degree or Higher	40.7	(X)	27.2	(X)	38.9	(X)
Income						
Median Household Income	50,186	(X)	55,256	(X)	62,647	(X)
Median Per Capita Income	16,026	(X)	23,360	(X)	28,893	(X)

Unemployment

Unemployment in the region was higher than in Fiscal Year 2000. The average unemployment in Fiscal Year 2001 was 2.7 percent for the Maryland suburbs, while the metropolitan area's rate was 2.3 percent. The national average for the same period was 4.6 percent. In May, 2002, the nation's unemployment rate was 5.5 percent, the State of Maryland's unemployment rate was 4.6 percent, and the Commonwealth of Virginia's rate stood at 4.1 percent. The metropolitan area's unemployment rate was 3.7 percent.

Table 4: Regional Unemployment Rates, FY 2001 & May 2002

Source: Maryland Office of Labor Market Analysis and Information, District of Columbia Dept. of Employment Services, and Virginia Employment Commission

Year	Suburban Maryland	Washington, DC PMSA	State of Maryland	State of Virginia	United States
2001	2.7	2.3	3.9	2.5	4.6
May 2002	3.4	3.7	4.6	4.1	5.5

Commercial Space

The past two years have been record-breaking in the metropolitan area for commercial space. In 2000, developers broke ground on over 48.6 million square feet of space, more than at any year since 1980, when the Metropolitan Washington Council of Governments (COG) started keeping these records. This is a 16.4 percent increase from 1999, which saw 41.8 million square feet of commercial construction starts.

In 2001, commercial constructions starts plunged 34 percent from 2000 levels, the largest such decrease since these records have been kept. Only 32.2 million square feet of space were initiated in the Washington area.

Prince George's County experienced a 19.4 percent increase in new commercial construction in 2000, totaling 3.6 million square feet, outpacing the regional average of 16.4 percent. The County bucked the area trend in 2001, with an 11 percent increase in commercial construction projects, far outpacing the regional decline of 34 percent.

Montgomery County, on the other hand, suffered a 2.8 and 15 percent decrease in commercial construction starts in 2000 and 2001, respectively. This represents a startling drop from 1999's 85 percent increase. In 2001, Prince George's County was the only Maryland county included in the COG study reporting an increase in the square footage of new commercial space. The overall level of new starts in the Maryland suburbs declined by 12 percent in 2001, dropping from 14.0 million square feet in 2000 to 12.3 million square feet.

Construction interest in "smart growth" continues to see-saw, based on three measures. In 1999, 31 percent of the region's total construction was in Metrorail station area. Then this level drastically dropped to seventeen percent in 2000, followed by 28 percent of commercial construction in 2001. Commuter rail areas have a similar story: in 1999, eleven percent of construction starts were near commuter rail, then only five percent in 2000, zooming to 14 percent of commercial construction in 2001. In 1999, mixed-use construction totaled 4.5 million square feet, which then declined a hefty 79 percent to 0.9 million square feet in 2000, and finally rising a stark 62 percent to 1.5 million square feet in 2001. While this is nowhere near the 1999 level, it does show improvement.

In addition to a decrease in mixed-use and transportation area construction, there was a slight decrease in the number of construction starts at close-in locations. The core jurisdictions

(Washington, Arlington, and Alexandria) accounted for 20 percent of new construction starts in both 2000 and 2001, while they accounted for 24 percent of starts in 1999. The inner suburbs of Prince George's, Montgomery, and Fairfax counties had the best showing in three years, accounting for 57 percent of the new construction. In 1999 and 2000, the inner suburbs made up 53 and 45.7 percent of construction, respectively.

Table 5: Commercial Construction in the Washington Region, 1999 and 2000

Source: Metropolitan Washington Council of Governments' Commercial Construction Indicators 2000 Annual Summary

		2000			1999		
		Projects	Sq. Ft.	Value	Projects	Sq. Ft.	Value
Central Jurisdictions	Retail	8	272,596	\$ 17,083,000	6	291,775	\$ 28,900,000
	Office	26	4,426,908	432,359,221	25	4,977,695	522,343,645
	Educational & Medical	15	575,401	91,473,799	13	2,525,974	337,128,776
	R & D	1	25,000	2,500,000	0	0	0
	Mixed Use	2	300,607	70,400,000	4	907,976	179,500,000
	Hotel/Motel	1	163,182	7,500,000	2	664,550	103,459,000
	Other	14	715,508	64,819,541	14	369,113	46,345,442
	Subtotal	67	6,302,202	686,135,561	64	9,737,083	1,217,676,862
Inner Suburbs	Retail	65	1,503,334	179,503,709	60	2,312,083	142,512,537
	Office	70	8,212,768	623,216,976	103	10,784,393	907,441,377
	Educational & Medical	66	2,570,269	411,699,933	30	1,861,936	260,347,804
	R & D	3	119,562	10,313,100	4	928,188	324,562,000
	Mixed Use	8	791,256	48,524,900	0	0	0
	Hotel/Motel	2	157,326	11,499,999	8	674,379	68,399,999
	Other	93	4,918,971	368,888,978	100	5,679,502	416,352,916
	Subtotal	307	18,273,486	1,653,647,563	305	2,240,481	2,119,606,631
Outer Suburbs	Retail	39	1,183,840	60,333,157	63	1,937,889	97,244,806
	Office	45	2,024,982	97,986,917	108	6,326,911	407,768,728
	Educational & Medical	29	1,513,195	191,838,259	27	1,632,587	197,585,443
	R & D	0	0	0	4	102,941	16,477,600
	Mixed Use	1	385,000	37,500,000	0	0	0
	Hotel/Motel	5	240,564	15,650,000	5	286,874	16,800,000
	Other	108	2,268,033	109,117,594	121	6,370,556	348,438,285
	Subtotal	227	7,615,614	512,425,925	328	16,657,758	1,084,314,861
Region	Retail	112	2,959,770	256,919,866	129	4,541,717	268,657,342
	Office	141	14,484,658	1,153,563,083	236	22,088,999	1,837,553,750
	Educational & Medical	110	4,658,865	695,011,990	70	6,020,467	795,062,022
	R & D	4	144,562	12,813,100	8	1,031,129	341,039,599
	Mixed Use	11	1,476,863	156,424,899	4	907,976	179,500,000
	Hotel/Motel	8	561,072	34,649,999	15	16,225,803	188,658,999
	Other	215	7,905,512	512,826,112	235	12,419,171	811,136,642
	Subtotal	697	48,635,322	\$ 4,421,608,353	697	48,635,322	\$ 4,421,608,353
Total		601	32,191,30	\$ 2,852,209,049	697	48,635,322	\$ 4,421,608,353

Table 6: Residential Home Sales in the Washington Region, 1999 and 2000

Source: Metropolitan Washington Housing Report, March 2002

	1998		1999		2000		2001		% Change 2001-2002		% Change 1998-2002	
Jurisdiction	Home Sales	Avg. Price	Home Sales	Avg. Price	Home Sales	Avg. Price	Home Sales	Avg. Price	Sales	Price	Sales	Price
Alexandria	2,091	\$226,719	2,449	\$232,891	2,413	\$225,161	2,973	\$25,5161	9.6	13.3	4.2.2	12.5
Arlington County	2,900	217,701	3,089	229,954	2,976	247,832	3,083	285,028	3.6	15.0	6.3	30.9
District of Columbia	6,705	215,375	7,676	221,268	7,654	250,445	7,648	303,371	-0.4	21.1	14.1	40.9
Falls Church	200		207	266,487	185	299,034	172	326,542	-7.0	9.2	-14.0	
Fairfax County	18,000		18,693	241,171	19,894	241,171	21,181	289,432	6.5	12.7	17.7	
Montgomery County	13,088	226,971	14,723	242,033	14,779	253,846	15,489	274,522	4.8	8.1	18.3	21.0
Prince George's County	7,200	133,269	8,862	141,887	9,601	139,968	11,276	146,336	17.4	4.5	56.6	9.8
Prince William County	3,754	151,770	4,719	155,839	6,193	162,901	7,674	190,911	23.9	17.2	104.4	25.8
Region	38,743	\$198,640	64,301	\$217,334	69,014	\$228,924	75,675	\$254,128	9.7	11.0	95.3	27.9

Residential Construction

Residential construction in the metropolitan area decreased significantly from 1998 to 2001. During this period, 12.6 percent fewer permits for single-family homes were issued, while there was a 24.7 percent decrease in the number of permits issued for multi-family dwellings. (Metropolitan Washington Regional Housing Report, March 2002)

Although residential construction permits declined, home sales continued to increase. Between 2000 and 2001, home sales increased 9.6 percent in the Washington metropolitan area, accompanied by an 11.0 percent increase in price, from \$228,000 to \$254,128. According to the Washington Area Housing Partnership, more than 83 percent of households in the United States in 2001 would pay more than 30 percent of their monthly income to own or rent housing in the area. In order to pay the average mortgage payment of \$1,683, one would need an average net monthly income of \$5,613, or \$92,268 annually. A two-bedroom apartment costing \$907, the regional average, requires significantly less income, needing an average monthly net income of \$3,025.

One overall indicator of the economic health of the area is the assessed value of property tax in the city. In 2001, the assessment value rose 1.8 percent, which was the second consecutive such increase. In comparison, the Prince George's County tax base increased by 2.2 percent, 0.4 percent better than the city. Although the city has lagged in the past two years, the 8.4 percent increase in the tax base from 1996 to 2001 was actually greater than that of the county's increase of 7.9 percent, a 0.5 percent difference

In turn, the assessed value of property in Prince George's County has not increased at the same rate as other Maryland counties. For instance, over the past five years, the average annual rate of increase in Prince George's County was 7.9 percent while the figure for Montgomery County was 15.0 percent. The difference grows starker when compared to the 20.3 percent, 17.5 percent, 19.2 percent, and 25.8 percent increases in Anne Arundel, Baltimore, Charles and Howard counties, respectively. (Maryland Department of Assessments and Taxation)

Table 7: City of College Park and Prince George's County Real Property Tax Assessments, 1996–2001

Source: City of College Park, Maryland State Department of Assessments and Taxation

Year	College Park Assessed Tax Base	Difference Between Years	Prince George's County Assessed Tax Base	Difference Between Years	City Growth Minus County Growth
1996	802,739,040	-	14,182,722	-	-
1997	799,856,130	-0.4	14,190,851	0.6	-1.0
1998	808,666,820	1.1	14,492,481	2.3	-1.2
1999	845,004,020	4.5	14,664,434	1.2	3.3
2000	855,575,740	1.3	14,913,669	1.7	-0.4
2001	870,518,672	1.8	15,166,948	1.7	0.1
5-Year Change	\$ 67,779,632	8.4%	\$ 1,113,791	7.9%	-

Table 8: Surrounding County Real Property Assessments, 1996–2001

Source: Maryland State Department of Assessments and Taxation

Year	Prince George's	Anne Arundel	Baltimore	Charles	Howard	Montgomery
1996	14,182,722	10,992,624	14,370,003	2,375,842	6,139,645	26,611,335
1997	14,190,851	11,278,556	14,732,961	2,458,265	6,390,274	27,277,062
1998	14,492,481	11,588,065	15,110,926	2,543,535	6,684,230	27,872,252
1999	14,664,434	11,985,485	15,560,937	2,653,567	7,024,235	28,544,943
2000	14,913,669	12,445,000	15,975,000	2,705,000	7,269,000	29,110,000
2001	15,166,948	12,958,000	16,350,000	2,736,000	7,413,000	29,634,000
5-Year Change	6.9%	14.9%	11.0%	11.3%	16.0%	8.6%

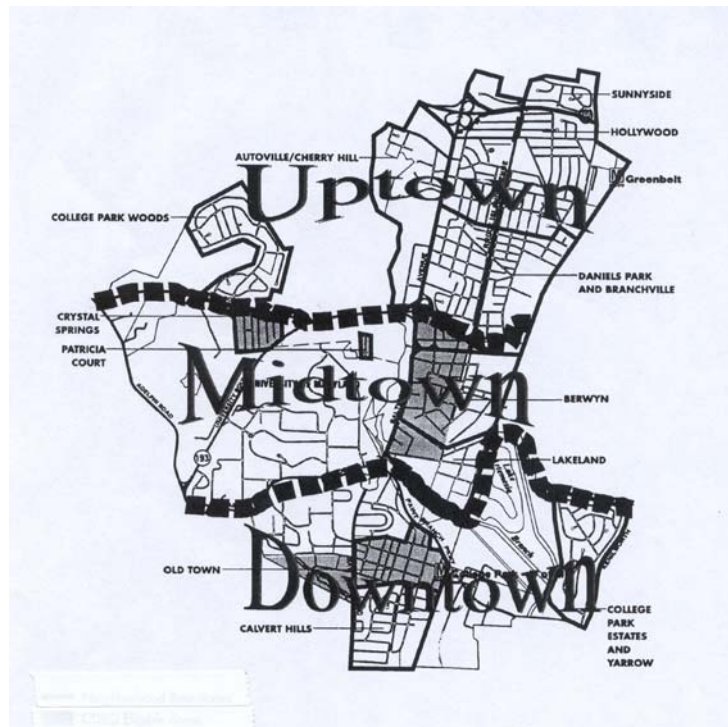
II. Local Market Reports

This section summarizes the conditions, trends, and major projects of Fiscal Year 2002 in the key areas of College Park's economy: the office, industrial, retail, hotel, residential and high tech markets. Data on office, industrial, and retail properties (square footage and vacancy and lease rates) were collected by city staff from property owners and management companies. For some office and industrial properties, the information was available only from CoStar, a company maintaining data on office and industrial buildings. Retail data covers only shopping centers, although this includes centers with as few as four units.

In this report, frequent reference is made to the downtown, midtown, and uptown sections of College Park. Downtown extends from the city's southern border north to Paint Branch Parkway. Downtown is listed with the transit district, the area east of the Metro/CSX tracks and adjacent to the College Park/University of Maryland Metro station. Midtown refers to the area from Paint Branch Parkway north to route 193. Uptown covers the area north of Route 193.

A. Methodology

The office space in this survey is the available office buildings in the City of College Park, as well as the Executive Building at 7100 Baltimore Avenue, although it is outside city limits. It should be noted that, for the purposes of this survey, spaces under lease are not considered vacant, whether or not the space is occupied. The calculations of vacancy and lease rates are based on a weighted average of the locations surveyed. For instance, owner-occupied footage was not used in the calculations for lease rates, as well as some for which the vacancy rate did not apply.



B. Office

One new office building emerged in 2001, when the Walter L. Blair building was completed. The building offers 7,000 square feet of space, accommodating two offices. While the space is currently used only by Blair and Lee Attorneys at Law, a doctors' association is scheduled to begin leasing remaining space in the near future.

Detailed Summary

Table 9: College Park Office Market, 1999–2000, 2002 (includes government buildings)

Source: City of College Park March 2002, CoStarGroup, Inc.

	1999	2000	2002
<i>Downtown</i>			
Tenants	131	129	109
Total Square Feet	656,160	655,860	544,629
Percent Vacant	9.7	8.5	6.0
Lease Rate	\$17.60	\$17.22	\$21.37
<i>Midtown</i>			
Tenants	47	32	31
Total Square Feet	1,966,880	1,966,880	1,970,041
Percent Vacant	20.0	9.5	7.3
Lease Rate	\$20.90	\$16.45	\$15.61
<i>Uptown</i>			
Tenants	70	67	61
Total Square Feet	160,000	160,000	169,700
Vacancy Rate	19.3	13.5	9.1
Lease Rate	\$17.40	\$16.81	\$18.44
TOTAL			
Tenants	247	228	201
Total Square Feet	2,783,040	2,780,040	2,664,370
Percent Vacant	15.9	10.2	7.0
Lease Rate	\$18.50	\$16.89	\$18.20

The office market has grown stronger in the past year. The average lease rate has increased dramatically, while the vacancy rate has dropped. In 2002, the average lease rate was \$18.20 while in 2000 the rate was \$16.89, an increase of twelve percent. The decrease in the vacancy rate was equally dramatic, with a 3.2 percentage point drop in vacancies.

The degrees to which these changed vary throughout College Park. Uptown's vacancy rate decreased considerably, dropping from 13.5 percent to 9.1 percent. This is in part due to the increased occupancy of One Boulevard Plaza, which is also the largest office building in the area. The Sterling building, on the other hand, had a significant increase in vacancies, dropping from 30 tenants to 20, thus raising the vacancy rate of that property from two to eighteen percent. In Midtown, the vacancy rate dipped slightly to 7.3 percent from 9.5 percent in 2000, while the average lease rate declined to \$15.61 from \$16.45.

Downtown showed a significant decrease in office space vacancy accompanied by a rise in lease rates. They jumped from \$17.22 in 2000 to \$21.37 in 2002. At the same time, vacancy rates plunged from 8.5 percent to 3.2 percent, marking a significant decrease. Many buildings had no vacancy. The largest difference is the College Park Office building, which is now completely leased, when it had previously had a vacancy rate of 26 percent. College Park continues to maintain a significant amount of federal and state-owned office space.

College Park's drop in vacancy rate reflects the same trend of Prince George's County and Suburban Maryland. In June, 2001, Prince George's County had a vacancy rate of 9.5 percent, which is lower than 2000's rate of 11.2 percent. The suburban Maryland area had a vacancy rate of 6.2 percent, as opposed to the 6.9 percent found a year ago. In addition, the lease rates for suburban Maryland grew by three percent for 2001. (Delta Associates)

Table 10: College Park Government Office Statistics, 2002

Source: City of College Park

Building	Address	Square Feet
<i>Downtown/TDOZ</i>		
FDA Building	Paint Branch Parkway	250,000
University of Maryland	Baltimore Ave.	1,500,000
<i>Midtown</i>		
National Archives II	8601 Adelphi Rd.	26,000
<i>Uptown</i>		
State Employment Technology Center	9800 Rhode Island Ave.	20,000
Total		1,796,000

Table 11: College Park Office Statistics, 2002

Source: City of College Park

Building	Address	Tenants	Square Feet	% Vacant	Lease Rate	Major Tenant	
<i>Downtown/TDOZ</i>							
American Center for Physics	One Physics Ellipse	4	116,000	10	Owner	American Physics Association	
College Park Center	7305 Baltimore Ave.	42	45,000	0	Owner/Condos	Health Services	
College Park Office Building	7338 Baltimore Ave.	9	12,929	0	\$ 17.50	Great Seeds	
College Park Professional Center	4511 Knox Rd.	15	24,000	0	\$ 25.00	Allfist Bank	
Executive Building	7100 Baltimore Ave.	23	36,000	15	\$ 23.00	College Park Copy Center	
Hartwick Professional Building	4231 Hartwick Ave.	14	51,500	0	\$ 19.50	University of Maryland	
University Building	4401 Hartwick Ave.	1	9,200	n/app	Owner	University of Maryland	
<i>Sub-Total: Downtown</i>		108	294,629	1.9%	\$ 21.37		
<i>Midtown</i>							
Walter L. Blair Building	4701 Melbourne Pl	1	7,000	50	N/a	Bair & Lee	
5110 Roanoke Building	5110 Roanoke Pl.	2	23,000	0	\$18.50	Deco Artwear	
8400 Baltimore Building	8400 Baltimore Ave	4	41,160	0	\$ 18.50	RESI	
Homer L. Dodge Building	5112 Berwyn Rd.	1	18,000	15	\$13.00	Campus Outfitters	
Kidwell Building	5111 Berwyn Rd.	6	7,500	0	\$13.00		
University Centre	4716 Pontiac St.	5	40,000	n/app	\$ 19.00	UM University College*	
University Professional Center	4700 Berwyn House Rd.	11	33,381	10	\$ 12.00	Health Services	
<i>Sub-Total: Midtown</i>		30	170,041	7.3%	\$15.61		
<i>Uptown</i>							
9015 Rhode Island	9015 R.I. Ave.	1	6,200	n/app	Owner	North American Telecom, Inc.	
9601 Baltimore Ave.	9602 Baltimore Ave.	8	9,000	25	\$ 17.50	Advent	
One Boulevard Plaza	9658 Baltimore Ave.	13	63,000	4	\$ 24.00	Mitretech	
Fred T. Gheen	4911 Niagara Rd.	4	5,000	0	\$ 6.50	Fred T. Gheen & Associates	
Hollywood Building	10005 RI Ave.	8	6,500	5	\$ 11.50	Gaile's Violin Shop	
Michaels/Niagara	4907 Niagara Rd.	6	8,000	0	\$ 10.50	Washington Mortgage Services	
Sterling Building	4920 Niagara Rd.	20	32,000	18	\$ 13.00	Centurion Security	

<i>Sub-Total: Uptown</i>		<i>60</i>	<i>129,700</i>	<i>9.1%</i>	<i>\$ 18.44</i>		
TOTAL		198	594,370	4.9%	\$18.20		

** UMUC purchased this property in 2002. It remained in the survey because it still has several tenants.*

C. Industrial

Litton Advanced Systems was acquired by Northrop Grumman in 2001. In order to consolidate its operations, the College Park facility will be shuttered at the end of 2002. Many of the 250 employees will be transferred to the Baltimore location, while approximately 100 employees will be permanently let go. The expansion plans for an increase of 180,000 square feet of manufacturing and office space did not take place.

That said, within the current year, College Park's industrial sector remained steady. The vacancy rate was very low, registering 0.8 percent, which is a drop from the already low rate of 2.1 percent in 2000. The number of tenants increased in 2002, up to 62 from 51 last year.

The University of Maryland is conducting a study to determine the feasibility of creating a research park in the new Transit District Overlay Zone (TDOZ) and is considering the purchase of 50 acres in the TDOZ, currently owned by Avanti Properties. This property could generate over a million square feet when developed.

Table 12: College Park Industrial Market, 1999–2000, 2002

Source: City of College Park March 2002, CoStar Group, Inc.

	1999	2000	2002
Tenants	42	51	67
Total Square Feet	868,540	930,490	844,728
Percent Vacant	12.0	2.5	0.8
Lease Rate	n/a	n/a	n/a

Table 13: College Park Industrial Statistics, 2002

Source: City of College Park

Site	Address	Tenants	Square Ft.	% Vacant	Lease Rate	Major Tenant	
Downtown/TDOZ							
Ace Fire-Metro Area	5103-5115/ 5114 College Ave.	8	16,000	0.0%	\$ 9.00	Residecks	
Dent, Clyde	5016 Lehigh/ 7420 51 st St.	3	34,300	0.0%	dna	Clyde W. Dent	
Northrop-Grummond	5115 Calvert Rd.	1	134,596	n/app	Owner	Northrop Grumman	
College Park Industrial Center	5018 College Ave.	4	15,060	0	\$5.00	Park & Planning	
5002,5004 Lehigh	5002,5004 Lehigh	2	12,000	0	\$6.00-\$8.00		
Midtown							
5127 Berwyn	5127 Berwyn	1	14,000	0			
Kidwell Business Center *	5105, 11, 17 Berwyn Rd		29,350	0			
Roanoke Building	5112-5114 Roanoke Pl.	1	16,000	0			
Washington Post	5245 Greenbelt Rd.	1	326,000	n/app	Owner	Washington Post	
Uptown							
Branchville Industrial Center	9000-9122 51st. Place	17	58,422	0.0%	\$ 6.34	MAACO	
Branchville Rd.	5010-5106, 5151 Branchville Rd.	6	38,000	0.0%	n/a (various ownership)	Hydra Lift	
Stone Industrial Precision Products Group	9207 51st. Ave.	1	115,000	n/app	Owner	Stone Industrial Precision Products Group	
College Park Warehouse	9215 51st. Ave.	17	36,000	5.0%	\$ 7.00	Davals Food Distributors	
Total		62	844,728	0.8%	n/a		

D. Retail

Although there were several business openings and closing, both the vacancy and lease rates remained stable. The vacancy rate is approximately 2.3 percent, down from 5.6 percent last year. The lease rates also declined, dropping from \$28.44 in 2000 to \$27.96 in 2002. During this time period, no new space was added. (Note that data for vacancy and lease rates does not include stand-alone/single-use buildings, where many of the openings and closings of businesses have occurred. The data is collected only for shopping centers, although this includes centers with as few as four units.)

Table 14: College Park Retail Market, 1999–2001

Source: City of College Park March 2002, CoStar Group, Inc.

	1999	2000	2002
Tenants	95	94	91
Total Square Feet	450,560	450,560	465,900
Percent Vacant	5.2	5.6	3.5
Lease Rate	\$27.90	\$28.44	\$27.96

Uptown

The most significant change in the Hollywood area occurred at the Hollywood Shopping Center, which is now 100 percent occupied. My Organic Market (MOM's) opened in what was previously the Rite-Aid location. Also new in the shopping center, which is anchored by long-time tenant REI, are Johnson Medical Equipment, Studio of Korean Karate, and Hollywood Chiropractic.

The College Park Marketplace showed a noticeable increase in the occupancy rate. The shopping center is now fully leased, with several businesses moving into the center. Mama Lucia Pizza and Yum's are now located here.

Openings

My Organic Market
Johnson Medical Equipment
Studio of Korean Karate
Hollywood Chiropractic
Musolino Stone Contractors
Hampton Inn
Mamma Lucia Pizza and Pasta
Yum's
Firehouse.com
Peaces of a Dream
007 Market

Closings

CRT, Inc.
Edge Market

Midtown

A few changes along Route 1 took place during the year. First, Mandalay Restaurant and Cafe opened in the summer of 2000. The management switched formats, replacing University Donuts with Burmese food. Also opening in 2001 was Los Panchos, which now occupies a former Sizzler's. Gone from Baltimore Ave. is the State Employees Credit Union (SECU), which moved to property it owns on Greenbelt Road in Berwyn Heights. The old storefront was not long vacant, as Atomic Music, its next-door neighbor, expanded into this space. Also closed is the Dorly Landromat, which had opened the previous year.

The Berwyn neighborhood continued to have a commercial presence with another business opening in the main shopping district. Berwyn Cafe opened in the fall, replacing Beautiful Day Trading Company. The new restaurant features vegetarian fare and outdoor seating. Unique Sensations Hair Salon closed its doors in Berwyn after a number of years of operation.

Going through the Berwyn commercial district is the Trolley Trail, which is a hiker-biker path. Construction of this is almost complete, with only minor elements left to be constructed. A plaza off the hiker-biker trail was completed during the Summer, 2000.

North of Berwyn is the Greenbelt-University Triangle, where several changes have taken place. Modern Sign and Graphics and Varidades Bami both opened in the 8900 block Rhode Island Avenue, which was purchased by David Arias in early 2001. The two new businesses represent a big jump in the occupancy rate, raising it from 25 percent to 75 percent.

Openings

Berwyn Café
Fiddler on the Roof
Mandalay Restaurant and Café
Modern Sign and Graphics
Variadades Bami
LEI
Los Panchos

Closings

Unique Sensations Hair Salon
SECU
Yates Auto Parts
Dorly Laundromat
Resnik Mental Health Professionals

Downtown/TDOZ

Downtown has a number of new businesses that opened in the past year. The Java Head Cafe moved into what was formerly Ricky's Rice Bowl. Also along Lehigh Rd. is Panda Restaurant. The 7400 block of Baltimore suffered from a number of closings. Kemp Mill Music, ReRun, American Imagination, Terrapin Clothespin, and Bargains Unlimited all left spaces vacant. On the other side of Baltimore Ave., English Tea House opened, serving lunch and desserts, as well as tea. Another new tenant is Ten Ren's Tea Time, which combined two storefronts through extensive remodeling. Next door, the former Terrapin Station and Rerun locations are being transformed into an Italian restaurant and billiard parlor. Construction for this project is underway.

The College Park Shopping Center has seen a change in tenants as well. Chipotle Mexican Grill opened, and serves a limited selection of Mexican food. On the other hand, ABC Staffing closed its doors. However, the management company has signed leases for all of the space, and will be without vacancy in the near future.

Openings

Chipotle Mexican Grill
English Tea House
Java Head Café
Panda Restaurant
Studio 7 Hair designs
American Windows
Junior Tennis Champions Center
Ten Ren's Tea Time
Oh Nails!

Closings

ABC Staffing
Kemp Mill Music
ReRun
American Imagination
Terrapin Clothespin
Goldstein and Baron Chartered
Ethos Foundation
Coconuts
Ronald A. Baum, DDS

Table 15: College Park Retail Statistics, 2002

Source: City of College Park

Building	Address	Tenants	Square Feet	% Vacant	Lease Rate	Major Tenant
<i>Downtown/TDOZ</i>						
College Park Retail Center	7415 Baltimore Ave.	11	17,000	4	\$ 29.00	Bagel Place, Adidas
College Park Shopping Center	Baltimore Ave. & Knox/Hartwick Rds.	16	89,000	0	\$ 20.00	CVS, Kinko's, Applebee's
<i>Midtown</i>						
Campus Village Center	8145 Baltimore Ave.	13	26,000	20	\$ 20.50	Moyer Mohal, Pandora's
Rhode Island Central	8900-8911 Rhode Island Ave.	3	6,000	25	n/a	
<i>Uptown</i>						
A-1 Center	4924-38 Edgewood Rd.	5	10,800	15	\$ 10.00	A-1 Pawn
Hollywood Square	9923-37 Rhode Island Ave.	6	11,000	0	\$ 12.50	Book Nook
College Park Marketplace	Cherry Hill Rd. & Baltimore Ave.	14	251,600	0	\$ 35.00	Home Depot
Edge Market Center	5000 Edgewood/99901-23 R.I. Ave	10	10,000	n/a	n/a	
Hollywood Shopping Center	9801 Rhode Island Ave.	13	44,500	0	\$ 20.00	REI
Total		94	465,900	2.4%	\$ 27.96	

E. Hotel Sector

Continuing an almost decade long trend, College Park's hotels saw an increase in occupancy rates in 2000, as well as the first half of 2001, although room rates actually declined during 2000. The average occupancy in 2000 was 68.6 percent, compared to 1999, in which the average occupancy rate was 63.3 percent, a noticeable increase. The room rates in 2000 averaged \$71.89, a slight decrease from the 1999 rate of \$73.41. The number of rooms included in this survey dropped from 939 to 906, due in part to the substitution of the newly opened Hampton Inn, which replaced the Inn and Conference Center (Marriott) in this survey.

Table 16: College Park Hotel Occupancy and Rates, 1993–2001

Source: Smith Travel Research

Year	Occupancy Rate	Average Daily Rate	# of Rooms
2001*	71.0 %	\$73.02	906
2000	68.6	\$71.89	906
1999	63.3%	\$73.41	939
1998	60.5%	\$69.88	939
1997	61.5%	\$66.27	939
1996	56.8%	\$61.96	939
1995	53.4%	\$53.16	968
1994	50.9%	\$50.85	968
1993	54.6%	51.59	968

Table 17: College Park Hotel Peak/Low Month Occupancy Rates

Source: Smith Travel Research

Year	Peak Month	Low Month	Spread
2001*	84.5 (June)	51.9 (January)	32.6
2000	84.4 (June)	39.6 (January)	44.8
1999	78.4 (October)	38.6 (December)	39.5
1998	76.7 (April)	38.6 (December)	38.1
1997	78.0 (April)	33.3 (December)	44.7
1996	72.9 (July)	31.0 (January)	41.9
1995	68.5 (May)	29.2 (January)	39.3
1994	68.2 (June)	30.7 (December)	27.5
1993	71.9 (June)	29.5 (December)	43.8

Both tables: Data applies to Best Western Maryland Inn, Comfort Inn, Days Inn, Holiday Inn, Econo Lodge, Howard Johnson Express, Quality Inn, Ramada Limited, and Hampton Inn.

In October, 2001 the Hampton Inn opened its doors. The hotel, located on Route 1 and south of Cherry Hill Rd., offers 78 rooms. This facility adds an upscale hotel to College Park's offerings.

At the end of fiscal year 2001, the City of College Park is working with developer to build an extended-stay hotel on Route 1. This is a particularly attractive idea in College Park, where the University of Maryland creates a demand for apartment-like hotel rooms due to its frequent long-term guests. The parcel to be developed is 8800 Baltimore Ave. and the adjacent property, commonly known as the Starlight and Lee properties, both of which have long-vacant structures

on them, in addition to Terrapin Taco. Through an award from the State of Maryland's Community Legacy program, the City will acquire the property and then demolish the existing structures, then selling it to the developer.

The Inn and Conference Center at the University of Maryland University College is planning to expand. Approximately 102,000 square feet with 126 more hotel rooms and 6,000 more square feet of meeting space will be added. Construction is scheduled to start in late summer 2002 and be finished in 2003. The current facility has 23,000 square feet of meeting space, an auditorium seating 750, dining, audio-visual equipment, and 108 guest rooms.

F. Residential Sector

Residential sales for the past two fiscal years remained stable. For the first eleven months of FY 2001-2002, 183 properties had changed hands. The average sales price was \$163,688, which is a 7.8 percent increase from FY 2001. In addition, the average number of days a property spent on the market was cut by more than half, with the average time being 22 days, as opposed to 47 days in both FY 2000 and FY 2001. During the same time period, building permits issued in College Park dropped.

This strong performance is even more impressive when compared to Prince George's County. During FY 2001, 9,811 units were sold, with an average price of \$144,894. By the first half of FY 2002, the average price had increased to \$152,000 with 5,079 homes sold. This represents an increase of 4.9 percent.

Table 18: Single Family Home Sales

Source: Metropolitan Regional Information Systems

	FY 2000	FY 2001	FY 2002
Number Sold	123	202	183
Avg. Days on Market	47	47	22
Avg. Sales Price	\$145,178	\$151,810	\$163,688

Table 19: Residential Building Permits Issued by the City of College Park

Source: City of College Park

	2000	2001	FY 2002
New Construction	1	9	2
Interior/Rehabilitation	24	9	10
Additions	26	16	15
Other	36	64	40
Total	87	98	67

G. Technology Sector

Several high-tech businesses are in Prince George's county. Over 900 such companies are located here employing 33,600. (Prince George's County Economic Development Corporation) WorldCom bought a controlling stake in Digex, a Beltsville company, in the fall of 2000. Digex provides web-hosting services to about 600 corporations, including J. Crew and Ford Motor Company. The company employs 1,056 people locally. (Prince George's County Economic Development Corporation, Washington Post)

The University of Maryland's Technology Advancement Program (TAP) continued its operations, providing a number of advantages to start-up technology companies. The facility offers 32,000 square feet of space, technical assistance, and shared resources, such as office and lab space, reception, and secretarial services. TAP started in 1984 and has successfully graduated over 43 start-up tech firms. Depending on the size of the firms, TAP can house between 12 and 15 companies at any one time. Among the newest graduates are Claragen, which moved Rockville in 2001, and NeuralStem, which moved to Gaithersburg.

In addition to TAP, the Technology Growth Center at Prince George's Metro (TGC) continues to offer space to tech firms. Approximately half of the 15,000 square feet is currently used by seven companies, including Advantage Engineering, Vecna Technologies, and Maxion Technologies, Inc. In addition, companies in the TGC can become affiliates of TAP, which would then allow them to have additional access to University resources.

The University of Maryland is also planning a Research Park in the area around the transit zone near the College Park-University of Maryland Metro station. The University is working to expand its existing holdings in the area, and hopes to further its partnerships with the private sector.

Adding to the long list of initiatives, the University of Maryland and Fujitsu Laboratories of America have joined forces. The partnership will work with computing 1, wireless computing, network security, bio informatics, quantum computing 2, and other innovative technologies. The lab will coordinate with the University to construct test environments for these technologies, which basically have the ability to make computing more pervasive, such as for use with PDA's and other devices. Approximately 40 people will be employed at the lab by 2004.

III. Development Status Report

A.	Walter L. Blair Professional Building	34
B.	College Park/University of Maryland Metro Station Site	35
C.	FDA CFSAN/CVM	36
D.	Greenbelt Metro Station Site	37
E.	Hampton Inn	38
F.	IKEA	39
G.	Junior Tennis Champions Center	40
H.	Mazza Commons	41
I.	Former Starlight and Lee Properties	42
J.	Former Sunoco Site	43
K.	University View	44
L.	Chemistry Teaching Building	45
M.	Clarice Smith Performing Arts Center at Maryland	46
N.	Comcast Arena	47
O.	Kim Engineering Building	48
P.	South Campus Commons	49
Q.	Stamp Student Union	50
R.	Van Munching Hall	51



Walter L. Blair Professional Building

Location:

4705 Melbourne Place

Developer/Contact:

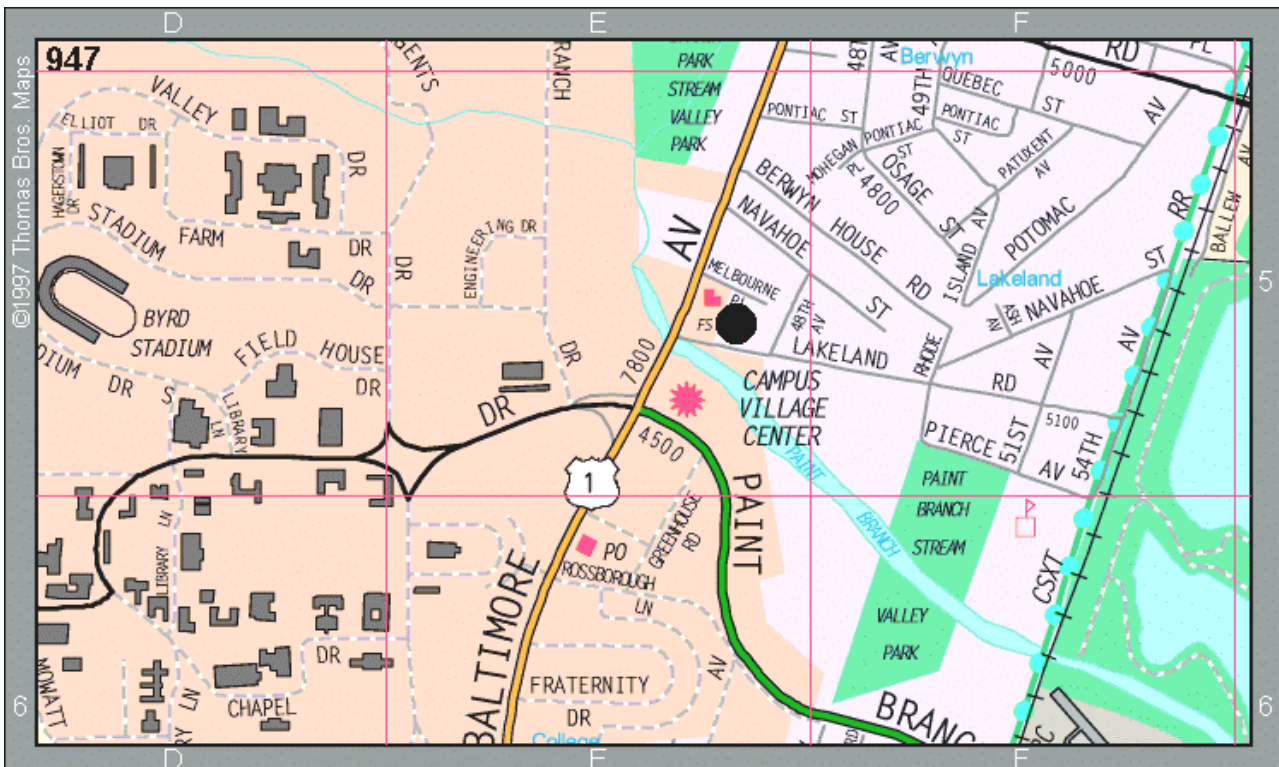
Blair & Lee, Attorneys at Law
4705 Melbourne Pl.
College Park, MD 20740
Walter L. Blair
301.474.4700

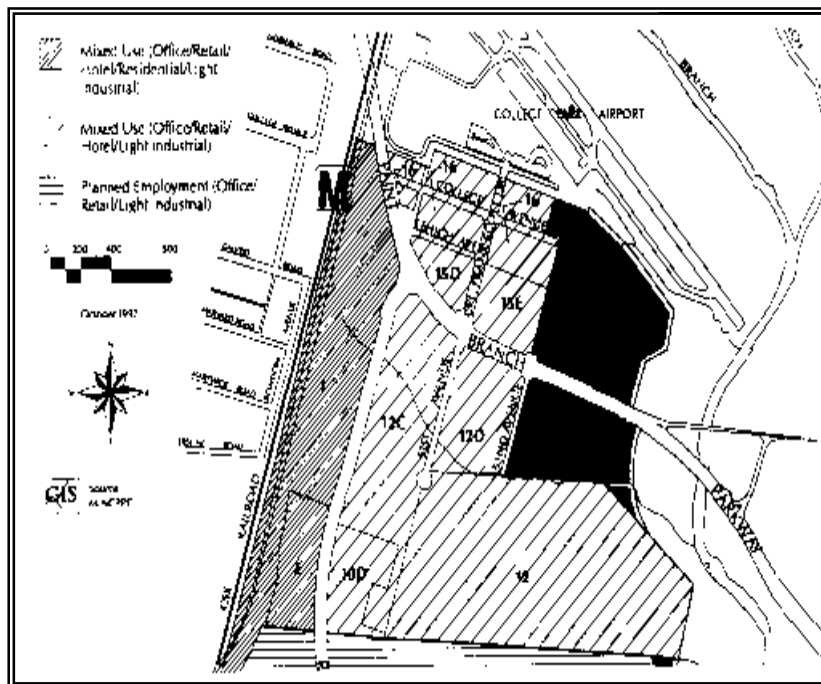
Parcel/Building Size:

17,500 s.f.
7,000 s.f. office

Zoning: C-S-C

Project Status: The new space is currently in use by Blair & Lee, Attorneys at Law, occupying the top floor. In the Spring of 2002, the remaining space will be leased by a medical association.





College Park/University of Maryland Metro Station Site

Location:

River Road at Paint Branch Parkway

Developer/Contact:

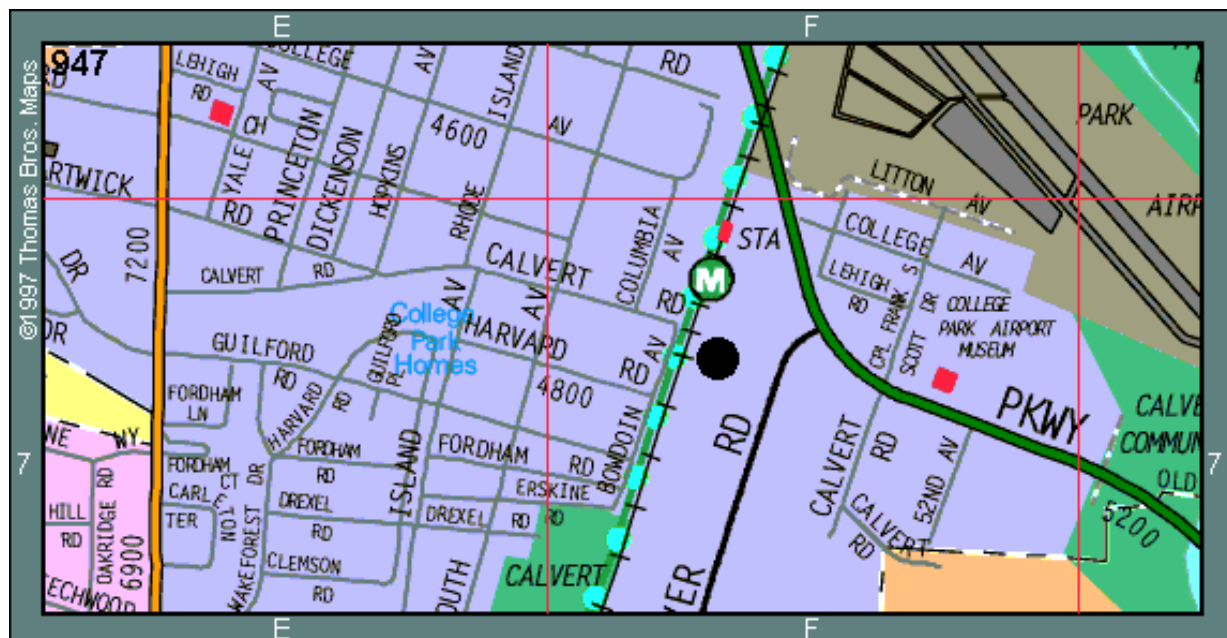
Office of Property Development and Management
Washington Metropolitan Area Transit Authority
600 Fifth St., NW
Washington, DC 20001
Elisa L. Hill
202.962-1593

Parcel/Building Size:

15.6 Acres
320 Residential Units
200,000 s.f. office space
1,200 space garage

Zoning: M-X-T

Project Status: AvalonBay was chosen by WMATA as the developer for the site. The proposal calls for a combination of high-end residential, office and retail uses, with an estimated cost of \$30 million in residential and \$29 million in office development. WMATA and AvalonBay are drafting a development agreement, expected in fall of 2002.





FDA CFSAN/CVM

Location:

5100 Paint Branch Parkway

Developer/Contact:

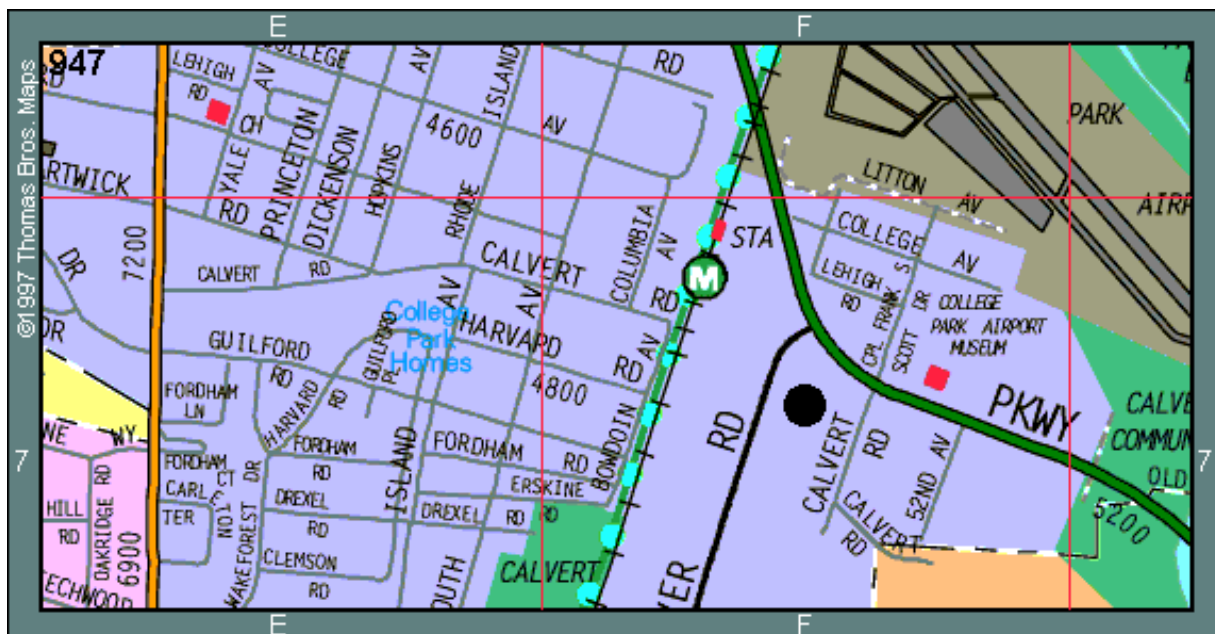
General Services Administration
7th and D Sts., SW
Washington, DC 20407
Harry Debes
202.260.9583

Parcel/Building Size:

13.5 Acres
250,000 s.f. office/research

Zoning: I-1 (TDOZ)

Project Status: The FDA facility opened in early 2002. It houses the Center for Food Safety and Applied Nutrition, employing approximately 750 people.





Greenbelt Metro Station Site

Location:

South of I-495, west of Rt. 193, east of CSX/Metro tracks and west of Cherrywood Ln.

Developer/Contact:

Metroland Developers
c/o Norman Rivera
301.397.2650

Parcel/Building Size:

240 Acres

Zoning:

I-2 (proposal pending approval to rezone to M-X-T in Greenbelt Metro Area Sectional Map Amendment)

Project Status: The \$1 billion mixed-use project announced in 1998 has been stopped in court due to litigation by the City of Greenbelt. The development proposes over 1,500 residences, of which at least 350 would be dedicated for seniors, over 1.8 million square feet of office space, and 550 hotel rooms.





Hampton Inn

Location:

9670 Baltimore Ave. Developer/Contact:
College Park Hospitality Group LLC
12119 Dusk View Ct.
Clarksville, MD 21029

Developer/Contact:

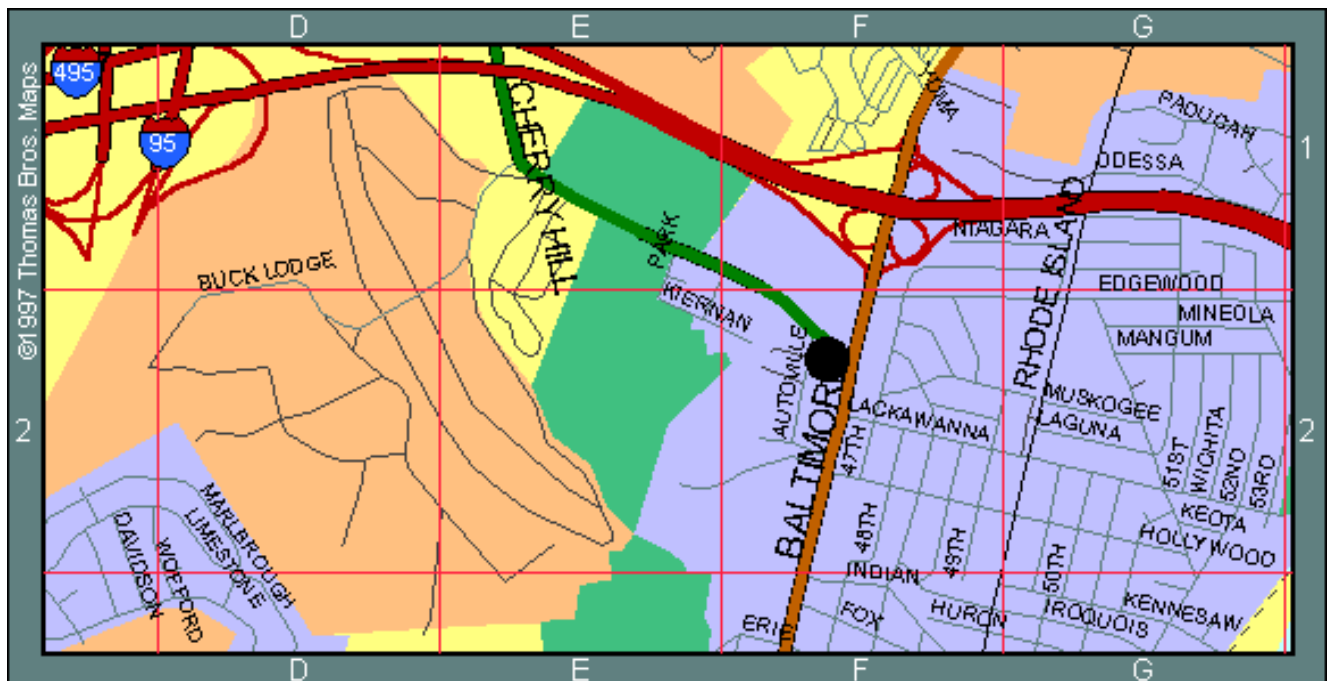
Mukesh Majmudar
410.988.9363

Parcel/Building Size:

78 room hotel
1.34 Acres

Zoning: C-S-C

Project Status: With 78 rooms, banquet facilities, and an indoor swimming pool, the Hampton Inn College Park opened in October 2000.



IKEA

Location:

NW quadrant of Route 1 & I-495

Developer/Contact:

IKEA Properties
496 West Germantown Pike
Plymouth Meeting, PA 19462
610.834.0180

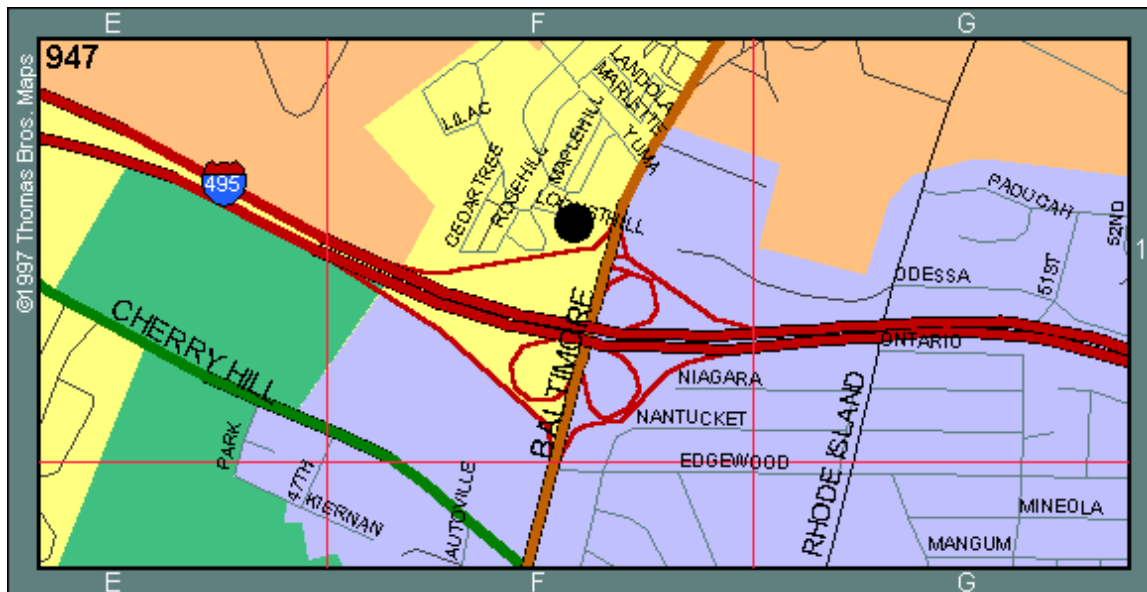
Parcel/Building Size:

45 Acres
368,000 s.f. store
410,000 s.f. office
402,000 s.f. other retail

Zoning: O-S



Project Status: Construction has begun on the site of the future IKEA, which is to be located north of I-495. The Swedish furniture store will develop the parcel of land with underground parking, as well as much surface parking, an office building, and restaurants. This project will provide 340,000 square feet of retail space, with a proposed 410,000 square feet of office space.





Junior Tennis Champions Center

Location:

5200 Paint Branch Parkway

Developer/Contact:

Junior Tennis Champions Center
5200 Paint Branch Parkway
College Park, MD 20740
Pat Delaney
301.778.3000

Parcel/Building Size:

11.6 Acres
3 30,000 s.f. tennis sheds
15 outdoor courts

Zoning: O-S

Project Status: After starting construction in 1999, the College Park Junior Tennis Champions Center opened April 2001. There are 15 outdoor courts, including 9 hard courts and 6 clay courts, and 12 indoor courts. The main building includes a workout room, offices, classroom, lounge, locker rooms, and a tennis retail shops. The center's mission is to train young tennis players with potential in order to earn scholarships to Division 1 universities.





Mazza Commons

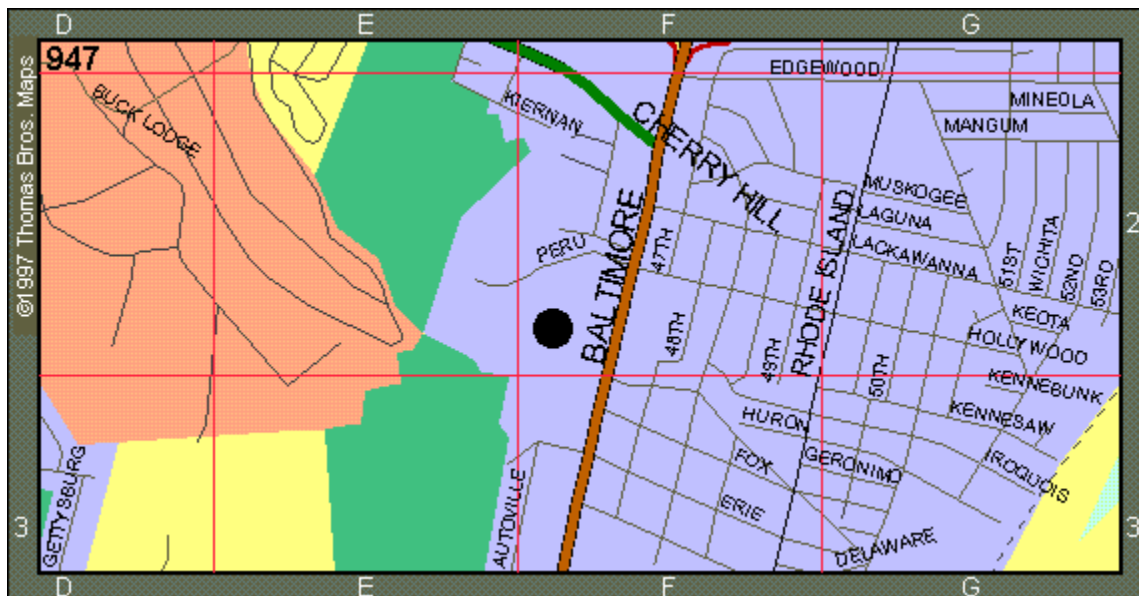
Location:
Autoville Dr.

Developer/Contact:
Collegiate Hall Properties
501 West Butler Rd., Suite G
Greenville, SC 29607
J. Russ Davis

Parcel/Building Size:
12 acres
200-unit apartment building

Zoning: M-U-I

Project Status: Mazza Commons at the University of Maryland is a student-oriented apartment complex off of Autoville Drive to be developed by Collegiate Properties. The complex, will have approximately 200 units, with a total of about 600 bedrooms. Collegiate Properties plans to open the facility in August of 2004.





Former Starlight & Lee Properties

Location:

8700,8704,8708,8720 and 8800 Baltimore Ave.

Developer/Contact:

Mukesh Majumadar
Star Hotels
20 Corporate Center
Ste. 460
10420 Little Patuxent Parkway
Columbia, MD
301.596.5400

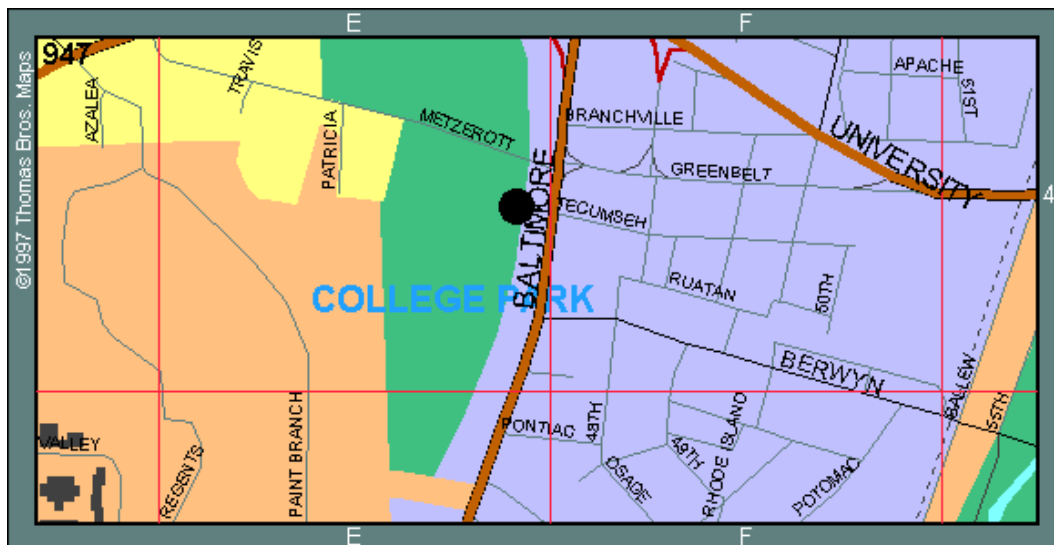


Parcel/Building Size:

102,270 s.f. (combined space)

Zoning: M-U-I

Project Status: The City of College Park received funding through the State's Community Legacy program. This loan of \$425,000 provides money for the acquisition of the Starlight and Lee properties, two abandoned buildings located along Route 1. The properties will then be sold to a developer whose current plan is to build an extended stay hotel. The City is working with the Maryland Department of Housing and Community Development to acquire the properties for demolition.





Former Sunoco Site

Location:

7313 Baltimore Ave.

Developer/Contact:

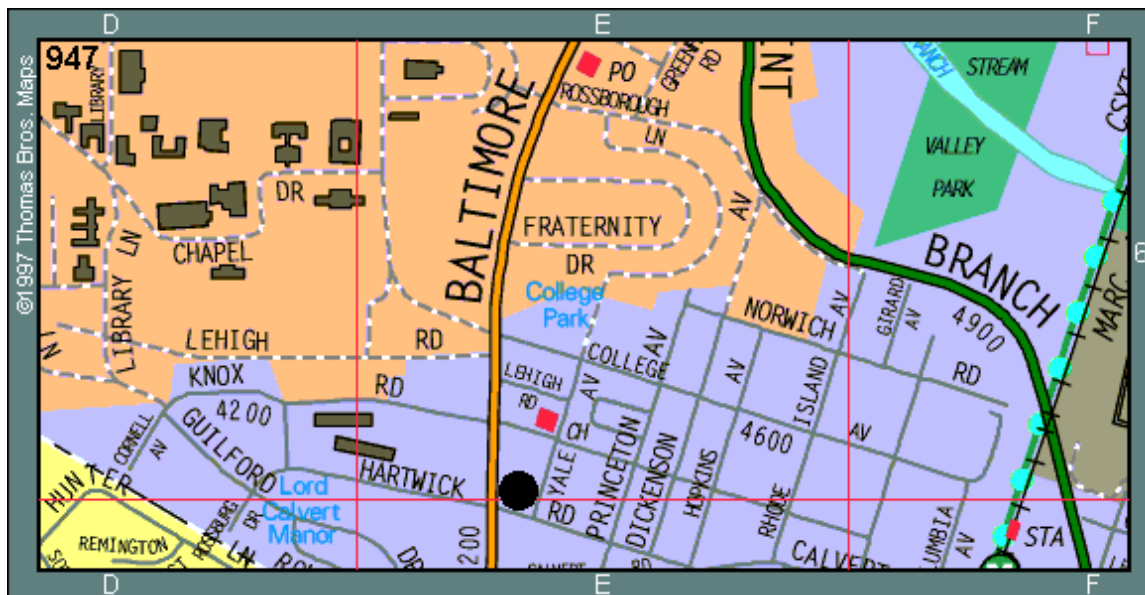
Richard Greenberg
The Greenberg Co.
Greenhill Capital Corporation
4901 Fairmont Ave., Suite 200
Bethesda, MD 20814
301.657.2525

Parcel/Building Size:

17,000 s.f. parcel
13,000 s.f. retail

Zoning: M-U-I

Project Status: The former Sunoco station at 7313 Baltimore Avenue in Downtown was purchased in April, 2002 by Terrapin Main Street LLC. The developers, Greenhill Capital Corporation of Bethesda, MD, plan to build a retail center. Up to eleven storefronts would be available in the retail area, although several of these would be consolidated by tenants in order to create larger individual units. Greenhill Capital hopes to be in operation by Fall 2003.





University View

Location:

Route 1

Developer/Contact:

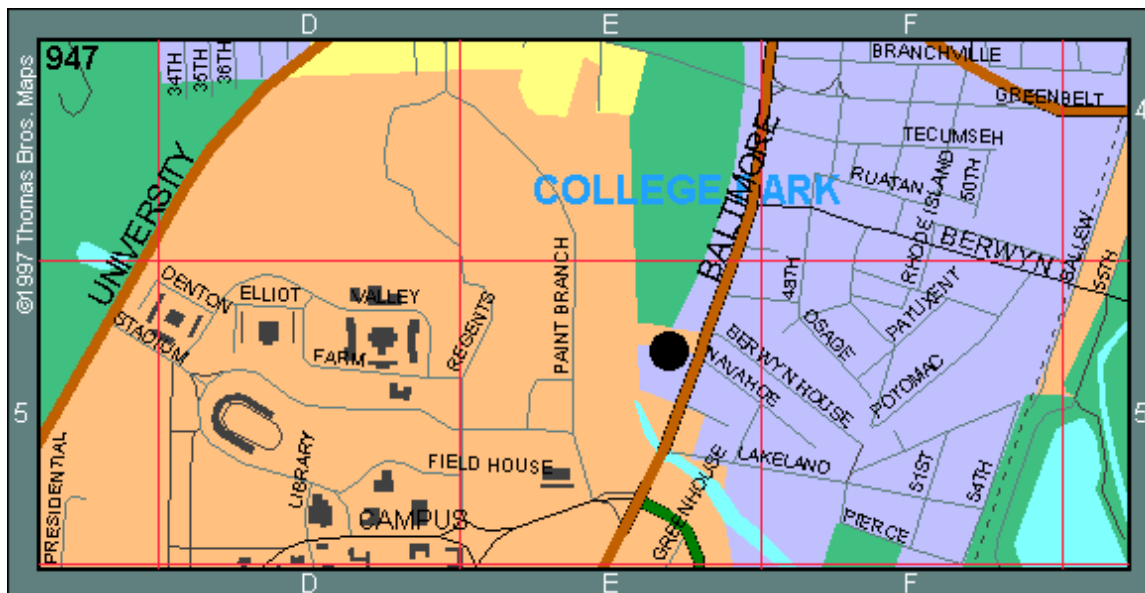
SJM Partners, Inc.
9001 Congressional Ct.
Potomac, MD 20854
301.299.8616

Parcel/Building Size:

350 residential units
150,000-170,000 s.f. office

Zoning: M-U-I

Project Status: As one of the first scheduled projects to take advantage of the new M-U-I zoning, it will be located at a former McDonald's site. The developer is in negotiation with the University of Maryland to purchase the property of the current Koon's Ford location, which it leases from the university. This project consists of two towers, one with office space, the other of residential property. The developer, Route 1 Partners, LLC, hopes to break ground in 2003, with completion by Fall 2004.





Chemistry Teaching Building

Location:

University of Maryland

Developer/Contact:

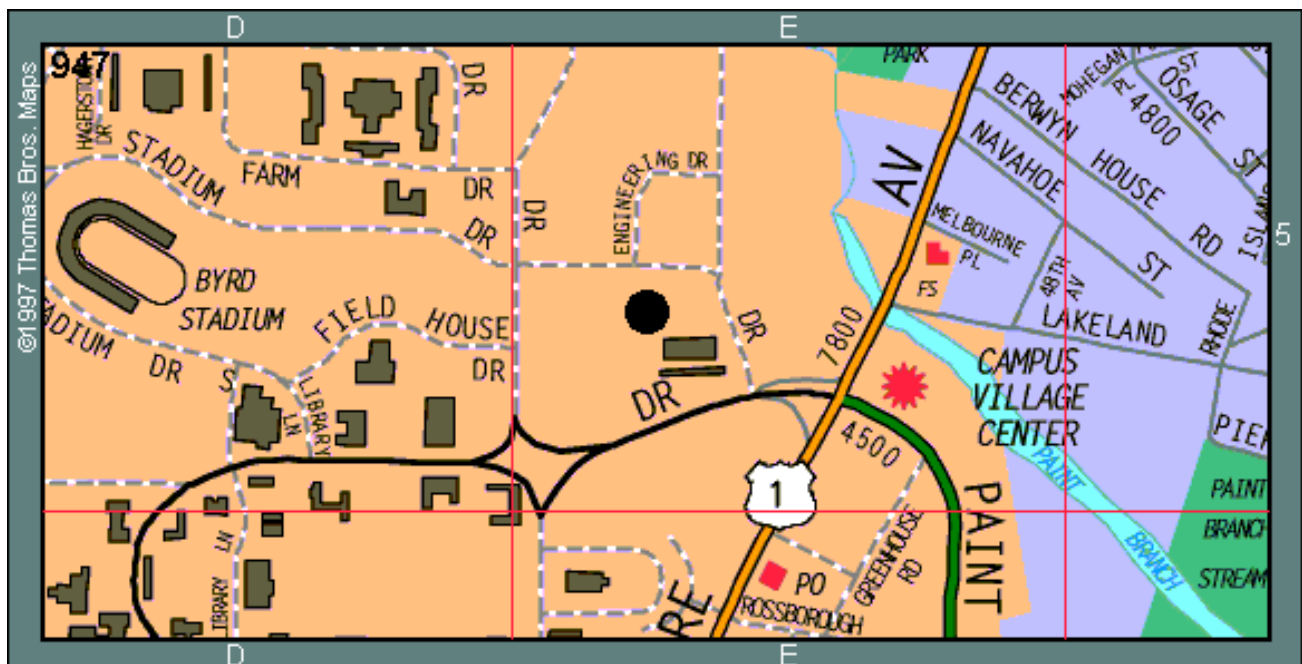
Architecture, Engineering and Construction
4100 Chesapeake Building
University of Maryland
College Park, MD 20742
Frank Brewer
301.405.3205

Parcel/Building Size:

62,600 s.f. building

Zoning: N/A

Project Status: One wing of the existing Chemistry Teaching building will be replaced by a new one that will include teaching labs, offices, and research space. The construction began in January, 2001 and is expected to be complete in the fall of 2002.



**Clarice Smith
Performing Arts
Center at Maryland**

Location:
University of Maryland

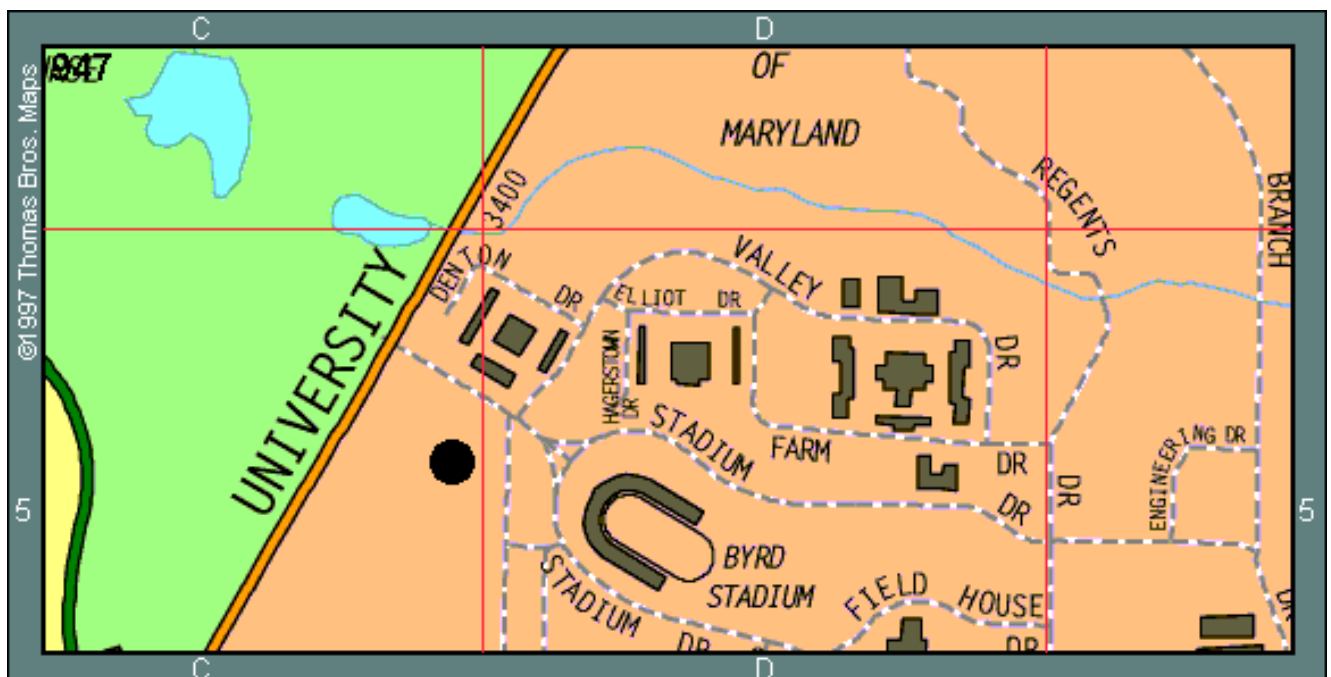
Developer/Contact:
Architecture, Engineering
and Construction
4100 Chesapeake building
University of Maryland
College Park, MD 20742

Parcel Building Size:
318,000 s.f.
800-space parking garage

Zoning: N/A



Project Status: After opening in 2001, this performing arts village home to the departments of Theater and Dance and the School of Music, as well as showcasing the talents of Maryland students and faculty as well as performing artists from the community and around the world. Five performance venues and a specialized library have opened to the public for scholarship and entertainment.





Comcast Arena

Location:

University of Maryland

Developer/Contact:

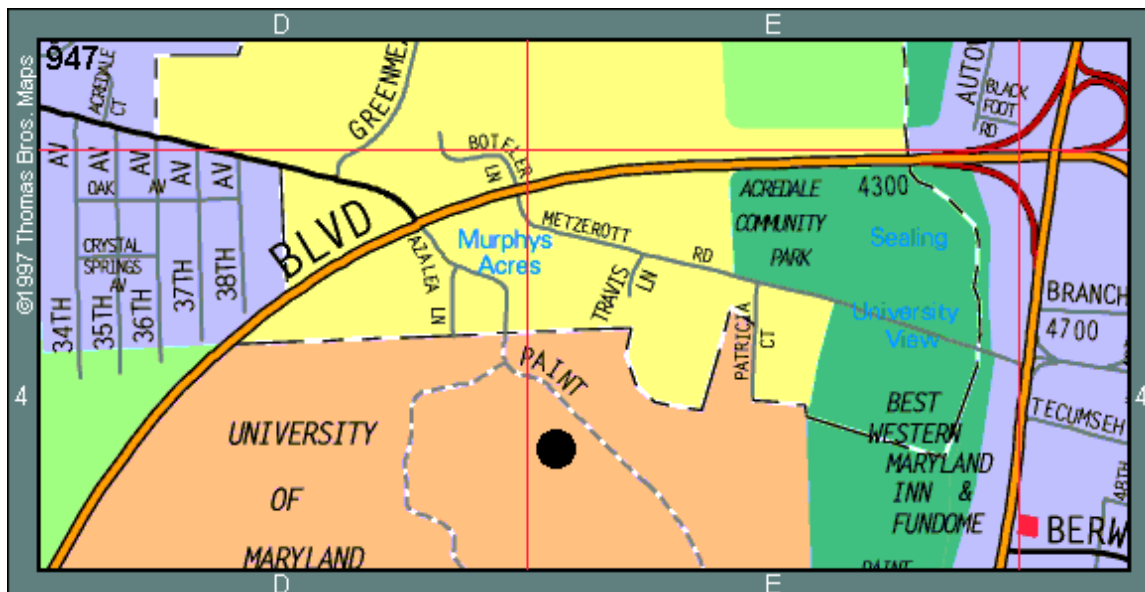
Architecture, Engineering, and
Construction
4100 Chesapeake Building
University of Maryland
College Park, MD 20742
Frank Brewer
301.405.3205

Parcel/Building Size:

17,100-seat arena
420,000 s.f.
1,200-space parking garage

Zoning: N/A

Project Status: Construction on the project began in June 2000, and is expected to be completed in time for the 2002-2003 basketball season. In association with this project, Paint Branch Parkway will be widened and realigned. The new sports area will feature an academic support and career development center, wrestling and weight-training rooms for other collegiate sports and a large practice gym.



Kim Engineering Building

Location:

University of Maryland

Developer/Contact:

Architecture, Engineering &
Construction
4100 Chesapeake Building
University of Maryland
College Park, MD 20742
Frank Brewer
301.405.3205

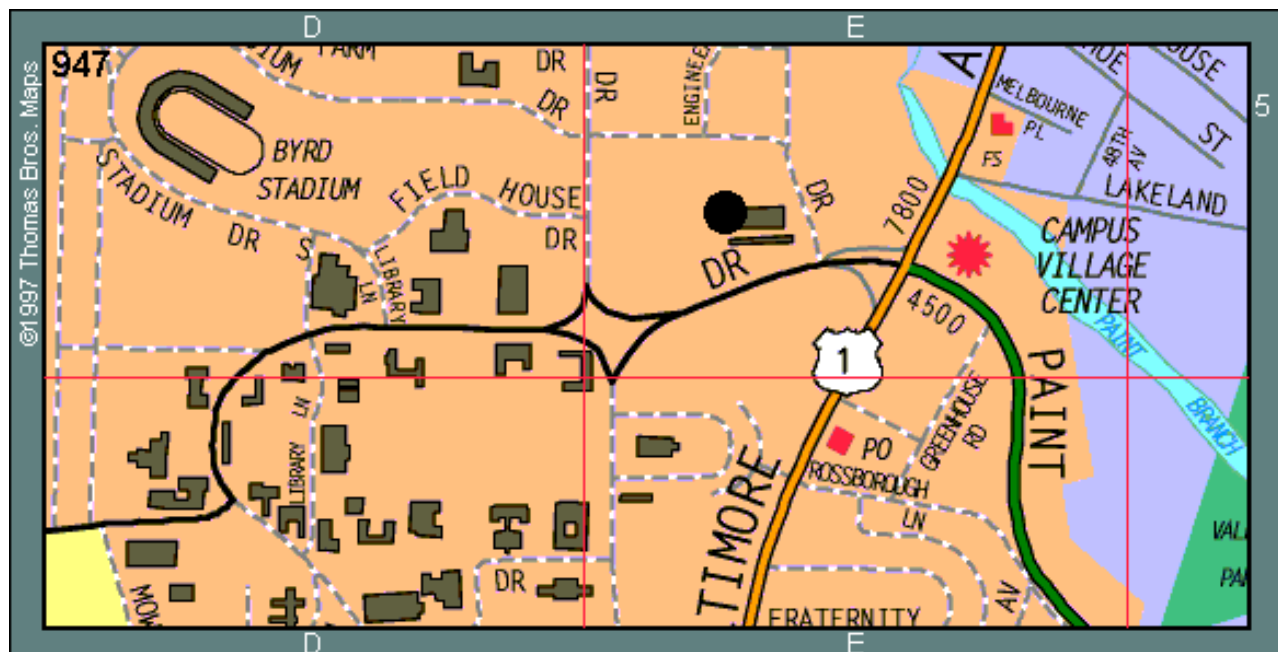
Parcel/Building Size:

141,200 s.f. building

Zoning: N/A



Project Status: The Jeong H. Kim Engineering Building will offer state-of-the-art research labs, seminar rooms and offices to support the seven departments of the Clark School of Engineering. Construction on this \$50 million building is scheduled to begin in February, 2002, with occupancy scheduled for the fall semester of 2003.





Stamp Student Union

Location:

University of Maryland

Developer/Contact:

Architecture, Engineering and
Construction

4100 Chesapeake building

University of Maryland

College Park, MD 20742

Frank Brewer

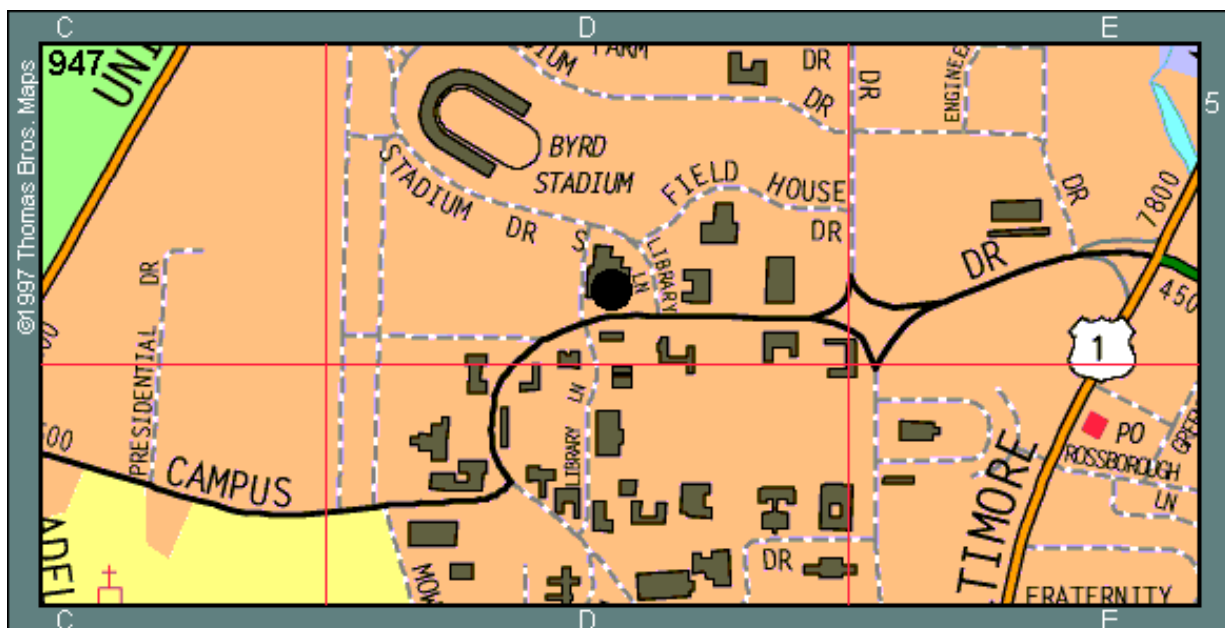
301.405.3205

Parcel/Building Size:

284,500 s.f., including 28,400 s.f.
expansion

Zoning: N/A

Project Status: The four-phase renovation and expansion of Stamp Student Union began in the summer of 1999. The first phase is completed, with the entire renovation scheduled for 2002. Highlights of the project are renovated ballrooms, and updated Hoff Theater, expanded book store, restaurant, updated food court, and additional office space for student organizations. The total project cost is approximately \$45 million.



Van Munching Hall

Location:

University of Maryland

Developer/Contact:

Architecture, Engineering and
Construction
4100 Chesapeake Building
University of Maryland
College Park, MD 20742
Frank Brewer
301.405.3205

Parcel/Building Size:

103,000 s.f. building

Zoning: N/A



Project Status: Van Munching Hall is being expanded to double the amount of space for the Robert H. Smith School of business. The new facility will add 16 classrooms, provide space for the relocated graduate and undergraduate career centers, and accommodate the Office of Executive Programs and the Knowledge and Information Management Center. The \$28.6 million project will be completed in 2002.

